

Dee May  
Director  
Federal Regulatory Issues

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**NYNEX**

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July 24, 1996

**Ex Parte**

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JUL 24 1996

Federal Communications Commission  
Office of Secretary

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, NW Room 222  
Washington, DC 20554

Re: CC 96-98 Implementation of the Local Competition Provisions in the Telecommunications Act of 1996

Dear Mr. Caton:

Mr. Don Evans, Mr. Frank Gumper and I, representing NYNEX, met with Commissioner Chong and Mr. Dan Gonzalez today regarding the above proceeding. We discussed the pricing issues associated with the implementation of the Telecommunications Act, specifically those associated with the Hatfield Model. NYNEX also identified what charges would apply, Unbundled Network Element charges and Access charges, depending on what element and service was supplied by NYNEX and the CLEC. The attachments used in the discussion are attached. Also discussed was NYNEX's position regarding LEC and CMRS Interconnection, CC 95-185. All positions presented by NYNEX are consistent with those presented in our Comments filed in CC 96-98 and CC 95-185.

NYNEX also provided Commissioner Chong with a copy of the ex parte filed today regarding yesterday's meeting between Mr. Don Evans and Mr. Saul Fisher of NYNEX and Mr. W. Kennard, Mr. C. Wright and Mr. J. Olson of the Office of the General Counsel.

Please feel free to contact me with any questions you may have.

Sincerely,

*Dee May*  
Attachment

cc: Commissioner Chong  
Mr. Gonzalez

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List ABCDE



# IXC Traffic: Split Access Charges

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CLEC Supplies	NYNEX Supplies	Access Charges	
		NYNEX	CLEC
Loop	Switch, Transport	Transport, RIC, Local Switching	CCL
Loop, Switch	Transport	Transport, Part of RIC	CCL, LS, Part of RIC
Transport	Switch, Loop	CCL, LS, Part of RIC	Transport, Part of RIC

# Network Elements

IXC Traffic		NYNEX Charges	
NYNEX Supplies Network Elements	CLEC Supplies	Network Elements	Access
Loop	Switch & Transport	Loop	CCL
Loop & Switch	Transport	Loop & Switch	RIC & CCL
Loop & Transport	Switching	Loop & Transport	CCL

# Comparison of Costs

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## **HATFIELD 2.2 MODEL**

VS

## **NYS COST MANUAL**

TSLRIC:

- » Port = \$1.45/MO.
- » Loop = \$10.37/MO.

LRIC + Jnt. & Common:

- » Port = \$4.20/ MO.
- » Link = \$19.32/ MO.

### **Problems:**

- Neither approach incorporates capital costs and economic lives consistent with riskier investments.
- Link cost does not reflect cost to connect to Port.

### **100% NETWORK BUSINESS USING HATFIELD PRICES:**

NYNEX NET INCOME: (\$2.4B) YEAR 1  
(\$2.2B) YEAR 2